



**Townsend Town Council Special Meeting**  
**August 24<sup>th</sup>, 2022 @ 7:00 pm**  
**VIA CONFERENCE CALL &**  
**Town Hall**  
**141 Main St, Townsend, DE 19734**

7:00 pm Town Council Special Meeting

I. Call to Order: Meeting called to order at 7:00 pm by Mayor Lobdell.

II. Opening Ceremonies

a. Roll Call: Mayor S. Lobdell, Councilman E. Dugan, Councilman J.

Mertz, Councilwoman S. Rojas, Councilwoman E. Clarke, Town Manager A. Tantillo, Town Solicitor C. Griffiths, Financial Officer J. Helms, Police Chief Longo, and Town Engineer E. Van-Otoo.

b. Pledge of Allegiance:

1. All present recited the Pledge of Allegiance.

c. Recognition of Visitors:

1. Visitors present included: Planning Commission Chair Troy Geiger, Lisa Brooks, Tony McDonald, JJ Assangu, Keith Henry, Emily England, and Ms. Clarke.

d. Announcements:

III. Citizens Comments & Participation: No citizens present.

IV. Adoption of Agenda.

a. Mayor Lobdell and TM Tantillo advised that the minutes to be considered on the agenda are as follows:

1. **ACTION ITEM:** Approval/ Rejection of Council Minutes from the June 1st, 2022, Town Council Executive Session Meeting.
2. **ACTION ITEM:** Approval/ Rejection of Council Minutes from the July 6<sup>th</sup>, 2022, Town Council Meeting.
3. **ACTION ITEM:** Approval/ Rejection of Council Minutes from the July 20<sup>th</sup>, 2022, Town Council Special Meeting.
4. **ACTION ITEM:** Approval/ Rejection of Council Minutes from the August 3<sup>rd</sup>, 2022, Town Council Meeting.

b. *CM Mertz made a motion to adopt the agenda as amended. CM Dugan seconded the motion. Vote: Voice vote of Council- all yea's, no nays.*

V. Approval / Rejection of Minutes

a. **ACTION ITEM:** Approval/ Rejection of Council Minutes from the June 1st, 2022, Town Council Executive Session Meeting.

b. **ACTION ITEM:** Approval/ Rejection of Council Minutes from the July 6<sup>th</sup>, 2022, Town Council Meeting.

c. **ACTION ITEM:** Approval/ Rejection of Council Minutes from the July 20<sup>th</sup>, 2022, Town Council Special Meeting.

d. **ACTION ITEM:** Approval/ Rejection of Council Minutes from the August 3<sup>rd</sup>, 2022, Town Council Meeting.

Town Meetings will return to both an in person and a virtual format.

Those wishing to attend virtually may dial **1(301)715-8592**. When directed, provide following meeting ID **827- 6421-7575#** and then the following password **361631#** to enter the meeting. If you choose to access the meeting online click the following link: <https://us02web.zoom.us/j/82764217575?pwd=aHI4RDhTZ0xiME1HV0ZOcHRxSHZ3QT09>

Residents will be able to view documents posted to the meeting tab on the Town website at [www.townsend.delaware.gov](http://www.townsend.delaware.gov) or by joining the meeting via computer.

- e. *CM Mertz made a motion to move the meeting minute approvals to the next Town Council meeting. CM Dugan seconded the motion. Vote: Voice vote of Council- all yea's, no nays.*

**VI. Swearing in of new Planning Commission Members.**

- a. Planning Commission Chair Troy Geiger swore in newly appointed Planning Commission member Januarius Assangu.
- b. Planning Commission Chair Troy Geiger swore in newly appointed Planning Commission member Lisa Brooks.
- c. Mayor Lobdell thanked the new Planning Commission members for stepping up and taking on the role. Mayor Lobdell advised that this is needed and that they would enjoy the opportunity.

**VII. A presentation by C. Anthony McDonald with Creative Financial Group on the status of the Town's investment accounts.**

- a. Mr. C. Anthony McDonald with Creative Financial Group provided an update on the Town's investment accounts. Mr. McDonald shared that he has handled the Town's long-term investments since 2004. The long-term investment account is just shy of \$3 million. This year has been a challenge in the investment world. The Town's investment policy adopted in 2007 says that 10% of funds needs to be in cash, 70%-90% should be in bonds, and 36% of the whole portfolio should be in short-term bonds. Mr. McDonald advised that in the past 12 months, short-term bonds have fallen. Mr. McDonald advised that the portfolio is up 3% in the third quarter. Overall, the portfolio is down 6% for the year, which is unusual. The typical rate of return is 3%-4%. 2020 was a good year for the portfolio, earning about 6.35%. What was made in 2020 and 2021 has mostly been returned. The account is still ahead. Mr. McDonald advised that since the bonds are heavily weighted in short-term bonds, as the short-term bonds come due, the Town will get paid the full amount and see a bounce back. The portfolio is positioned to be conservative and will bounce back as short-term bonds go off the books and new short-term bonds come back at a higher rate.
- b. Additionally, since 10% needs to be in cash, Mr. McDonald will consider adding short-term CD's.
- c. Mr. McDonald shared that the investment policy created years ago by previous Council's, has a minor conflict with 10%-100% in cash and also 70% in bonds. This needs to be diversified, but this is a dichotomy to move money out of bonds and move to cash. Mr. McDonald and the Finance Committee will hold a meeting to update and clarify the Town's investment policy.
- d. Mr. McDonald shared that the year is not done and in 18 years, the Town has never been in the negative with the investment account , so he is working hard to get to at least a breakeven or on the plus side in a bad year.
- e. CM Mertz asked if funds were added to the reserve each year. Mr. McDonald advised that this does not typically occur, but in December 2020, \$750,000 in funds were added. The account grew 6% that year.
- f. CW Clarke asked about foreign investments. Mr. McDonald advised that the investment policy allowed 0%-10% in foreign investments, In foreign investments in mutual or index funds, with 3% of the current portfolio in foreign investments, such as large fortune world 500 type of companies as these companies may outperform the US stock market. Currently only 3% is in the foreign market as the US market has been outperforming other markets.
- g. Mr. McDonald advised that the last time funds were taken out of the account was for streetscape, Town Hall renovations, and work at the Town Park. CM Mertz clarified that if the Town had a surplus, it would be added to the account.
- h. Mr. McDonald shared that he works with the auditors to ensure compliance with the investment policy.

**VIII. Human Resources Committee: Chair: Mayor Lobdell, Co-Chair: Councilman Dugan**

**a. ACTION ITEM: Discussion and possible vote on Resolution 2022-019 A Resolution Authorizing Personnel Action**

1. TM Tantillo provided a reading of Resolution 2022-019 A Resolution Authorizing Personnel Action
2. CM Dugan made a motion to approve Resolution 2022-019 A Resolution Authorizing Personnel Action. CW Rojas seconded the motion.
3. Roll Call Vote of Council- CW Clarke- yea, CM Dugan- yea, CM Mertz- yea, CW Rojas- yea. Resolution 2022-019 A Resolution Authorizing Personnel Action approved.

**b. ACTION ITEM: Discussion and possible vote on Resolution 2022-020 A Resolution Authorizing Personnel Action**

1. TM Tantillo provided a reading of Resolution 2022-020 A Resolution Authorizing Personnel Action
2. CM Dugan made a motion to approve Resolution 2022-020 A Resolution Authorizing Personnel Action. CW Rojas seconded the motion.
3. Council discussed the part-time administrative assistant position.
4. Roll Call Vote of Council- CW Clarke- nay, CM Dugan- yea, CM Mertz- nay, CW Rojas- yea. There was a tie in the vote with two votes for nay and two votes for yea. Mayor Lobdell broke the tie with a yea vote. Resolution 2022-020 A Resolution Authorizing Personnel Action approved.

**IX. A Presentation by Mike Moga and Max Adams with Barnes & Thornburg relating to acceptable use of ARPA Funds.**

**a.** Mike Moga and Max Adams with Barnes & Thornburg provided a presentation relating to acceptable use of ARPA Funds. TM Tantillo advised that Council voted in the fall of 2021 to enter into the engagement for legal services with Barnes and Thornburg to receive legal advice relating to ARPA.

**b.** Mike Moga and Max Adams shared that there are four eligible use categories for ARPA funds. The categories include the following:

1. Providing government services to the extent of revenue loss due to the pandemic.
2. Responding to the public health and negative economic impacts of the pandemic.
3. Providing premium pay to essential workers.
4. Making necessary investments in water, sewer, and broadband infrastructure.

**c.** Mr. Moga and Mr. Adams provided examples of items covered under the following categories:

1. Responding to the public health and negative economic impacts of the pandemic.
  - I. Examples include but are not limited to COVID-19 mitigation such as ventilation systems, masks, emergency response equipment, etc. This can also include negative impact assistance to small businesses and nonprofits, tourism, etc.
2. Providing premium pay to essential workers.
  - I. Examples include but are not limited to standards of eligible and non-eligible workers who worked throughout the pandemic for continuity of operations.
3. Making necessary investments in water, sewer, and broadband infrastructure.
  - I. Examples include but are not limited to improvements and investments in water, sewer, and broadband infrastructure.

**d.** Mr. Moga advised of six restricted uses, which include:

1. Municipalities cannot use of offsetting a reduction in net tax revenue.
2. Municipalities cannot use of depositing into a pension fund.
3. Municipalities cannot use of using funds as a debt service or replenishing reserves
4. Municipalities cannot use funds as settlements or judgements

5. Mr. Moga also shared that there are general restrictions including
  - I. Conflicting with attempts to stop the spread of COVID-19
  - II. No self-dealing or conflict of interest
- e. Mr. Moga also advised that as with all funds, ARPA fund spending must follow federal, state, or local laws.
- f. Mr. Moga and Mr. Adams explained that within the revenue loss option, municipalities can elect “a “Standard Allowance” of up to \$10 million, not to exceed the award allocation, to spend on government services throughout the period of performance. If you select to go with the standard allowance, Treasury will presume that up to \$10 million, not to exceed the award allocation, in revenue has been lost due to the public health emergency and recipients are permitted to use that amount to fund “government services.”” They explained that “government services” is extremely broad and that this category cannot cover payment of debt service or replenishing of financial reserves. They also advised that it would be wise for those with less than \$10 million to use the “standard allowance” designation. Funds must be obligated by 2024 and spent by 2026.
- g. Council asked if it would be possible to utilize funds to provide for short term annexation incentives by providing a discount or waiver for taxes. Mr. Moga and Mr. Adams advised that this would not be possible as the funds cannot offset tax revenue.

**X. Reports:**

**a. Mayor**

1. ACTION ITEM: No items to be discussed.
2. A report will be provided at the next regular Town Council meeting.

**b. State Police**

1. ACTION ITEM: No items to be discussed.
2. A report will be provided at the next regular Town Council meeting.

**c. Town of Townsend Police Chief’s Report**

1. ACTION ITEM: No items to be discussed.
2. A report will be provided at the next regular Town Council meeting.

**d. Town Solicitor N. Christopher Griffiths**

1. ACTION ITEM: No items to be discussed.
2. A report will be provided at the next regular Town Council meeting.

**e. Town Engineer Edwin Van-Otoo**

1. ACTION ITEM: No items to be discussed.
2. A report will be provided at the next regular Town Council meeting.

**f. Town Manager**

1. A presentation relating to potential ARPA projects for the Town of Townsend.
2. Mayor Lobdell advised that TM Tantillo would be providing a presentation on potential ARPA projects and future discussions with Council would be had and this is the beginning of the discussions. TM Tantillo provided a presentation on proposed ARPA projects. TM Tantillo shared that the presentation was not a comprehensive list of opportunities, but rather a compilation of ideas to address concerns already expressed by the Town and to address future concerns of the Town.

3. TM Tantillo shared that The Town of Townsend has been awarded \$790,706.25 in American Rescue Plan Act Funds to be designated for use by December 31<sup>st</sup>, 2024 and expended by December 31<sup>st</sup>, 2026. Per authorization in 2021, the Town has entered into the engagement for legal services with Barnes and Thornburg for \$3,082.76. The Town has an available balance of \$787,623.49.
4. TM Tantillo made a recommendation to select the ""revenue loss- standard allowance"" ARPA acceptable use, in order to address priorities and interests that have been expressed.
5. TM Tantillo shared potential projects that have been discussed previously by Council as priorities to address. This included:
  - I. A pole barn/ public works building to include necessary utilities and security measures, on the parcel with the Police Department building.
  - II. Pave and enclose the parking lot for the area of the Police Department/ Public Works Building.
  - III. Allocations for the Townsend Police Department to complete any additional necessary renovations or purchase any necessary equipment for the Townsend Police Department.
  - IV. Townsend Town Hall Solar Panel repairs, which will depend on whether or not the Town is awarded the Delaware Nature Society & Delmarva Power Sustainable Communities Grant, for which it applied for.
  - V. Solar Panel Installation for the Public Works/ Police Department Site.
  - VI. A Townsend Community Center- an outfitted building with details to be determined but items to consider including:
    - a. Public meeting room
    - b. Rentable room for public rental
    - c. Community Pool for use with a fee
    - d. Recreational areas such as indoor basketball courts, etc.
    - e. Historical Area/ Room
  - VII. Electric Vehicle Charging Station and Electric Vehicle Fleet to allow for revenue from charging stations and to reduce carbon emissions
  - VIII. Considerations for acquiring land to build out future commercial space.
6. TM Tantillo again advised that this would be continued to be discussed at the coming Council meetings and that there are many opportunities to explore how to spend these funds.
7. CM Mertz asked if a public hearing could be held to hear requests from residents on potential projects to be covered by ARPA. TM Tantillo shared that that would definitely be possible and could be scheduled in the future.

**g. New Castle County Councilman David Carter**

1. ACTION ITEM: No items to be discussed.
2. A report will be provided at the next regular Town Council meeting.

**XI. Committee Reports**

**a. Finance Committee:** Chair: Councilman Dugan, Co-Chair: Mayor Lobdell

1. ACTION ITEM: No items to be discussed.
2. A report will be provided at the next regular Town Council meeting.

**b. Public Works Committee:** Chair: Councilman Dugan, Co-Chair: Councilman Mertz

1. ACTION ITEM: No items to be discussed.
  2. A report will be provided at the next regular Town Council meeting.
- c. **Land Use and Development Committee:** Chair: Councilwoman Rojas, Co-Chair: Mayor Lobdell
- d. **Veterans Committee:** Chair: Councilwoman Clarke, Co-Chair: Councilwoman Rojas
1. ACTION ITEM: No items to be discussed.
  2. A report will be provided at the next regular Town Council meeting.
- e. **Public Safety Committee:** Chair: Councilman Mertz, Co-Chair: Councilwoman Clarke
1. ACTION ITEM: No items to be discussed.
  2. A report will be provided at the next regular Town Council meeting.
- f. **Community Engagement Committee:** Chair: Councilwoman Clarke, Co-Chair: Councilwoman Rojas
1. **ACTION ITEM:** Updates regarding the Town of Townsend Back to School/ Night Out Event
- g. **Code Review Committee:** Chair: Mayor Lobdell, Co-Chair: Councilman Mertz
1. ACTION ITEM: No items to be discussed.
  2. A report will be provided at the next regular Town Council meeting.
- h. **National Wildlife and Historic Preservation Committee:** Chair: Councilwoman Clarke, Co-Chair: Councilman Dugan
1. ACTION ITEM: No items to be discussed.
  2. A report will be provided at the next regular Town Council meeting.
- XII.** Recess Council Meeting to Convene Executive Session:
- a. CM Mertz made a motion to move to executive session In accordance with 29 Del. C. §10004 (B)(4) the Town Council will be meeting in executive session strategy session relating to a Strategy session, including those involving legal advice or opinion from an attorney-at-law, with respect to pending or potential litigation, as discussions would have adverse effect on the bargaining or litigation position of the Town; regarding negotiations as they relate to ARPA. CM Dugan seconded the motion. Voice vote of Council: all yeas, no nays.
- XIII.** Convene Executive Session: In accordance with 29 Del. C. §10004 (B)(4) the Town Council will be meeting in executive session strategy session relating to a Strategy session, including those involving legal advice or opinion from an attorney-at-law, with respect to pending or potential litigation, as discussions would have adverse effect on the bargaining or litigation position of the Town; regarding negotiations as they relate to ARPA.
- XIV.** Close Executive Session & Re-convene Council Meeting.
- XV.** Adjournment.
- a. CM Mertz made a motion to adjourn. CW Rojas seconded the motion.
- b. *Vote: Voice vote of Council- all yeas, no nays.*
1. *Meeting adjourned at 9:23 pm.*